

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 6

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2005

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; PROVIDING FOR A REBATE FOR A PORTION OF TAXES IMPOSED FOR THE 2005 TAXABLE YEAR; PROVIDING FOR NOTICE OF OPTIONAL DONATION OF AN ADVANCED PAYMENT OF THAT REBATE FOR NATURAL DISASTER VICTIM ASSISTANCE; CREATING AN OPTIONAL DESIGNATION FOR A PERSONAL INCOME TAX REFUND CONTRIBUTION FOR NATURAL DISASTER VICTIM ASSISTANCE; PROVIDING FOR A DISTRIBUTION; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Tax Administration Act is enacted to read:

"[NEW MATERIAL] DISTRIBUTION-- CONTRIBUTIONS FOR ASSISTANCE TO VICTIMS OF NATURAL DISASTERS.-- A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the secretary of public safety in an amount equal to the money designated

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 pursuant to the Income Tax Act as contributions for assistance
2 to victims of natural disasters. The secretary of public
3 safety shall deposit the money in a temporary suspense account
4 for distribution to nonprofit organizations that provide
5 assistance to victims of natural disasters in the United
6 States. "

7 Section 2. A new section of the Income Tax Act is enacted
8 to read:

9 "[NEW MATERIAL] TAX REBATE--2005 TAXABLE YEAR. --

10 A. Except as otherwise provided in this section,
11 any resident who files an individual New Mexico income tax
12 return and who is not a dependent of another individual is
13 entitled to a tax rebate during the 2005 taxable year for a
14 portion of state and local taxes to which the person has been
15 subject during the 2005 taxable year, even if the resident has
16 no income taxable pursuant to the Income Tax Act.

17 B. For the purposes of this section, the total
18 number of exemptions for which a tax rebate may be claimed or
19 allowed is determined by adding the number of federal
20 exemptions allowable for federal income tax purposes for each
21 individual; provided that, in the case of a husband and wife
22 who have filed a joint return where only one individual is a
23 New Mexico resident, the number of exemptions shall be reduced
24 by one.

25 C. Except as otherwise provided in Subsection D of
. 158706. 1

1 this section, the tax rebate provided for in this section is
2 allowed for the amount shown in the following table:

3 Adjusted Gross And the total number of exemptions is:
4 Income is:

5	Over	But not	1	2	3	4	5	6 or
6		over						more
7	\$0	\$10,000	\$80	\$125	\$155	\$175	\$190	\$200
8	10,000	20,000	75	115	145	160	170	175
9	20,000	35,000	70	105	130	140	145	150
10	35,000	45,000	65	95	115	125	130	135
11	45,000	60,000	60	85	100	105	110	115
12	60,000		50	70	80	85	90	95.

13 D. If a resident's adjusted gross income is less
14 than or equal to zero, the resident is entitled to a rebate in
15 the amount shown in the first row of the table appropriate for
16 the resident's number of exemptions.

17 E. Except as otherwise provided in this section, the
18 secretary shall make an advance payment of the tax rebate
19 provided for in this section not later than December 15, 2005 to
20 each resident who filed a 2004 New Mexico personal income tax
21 return. Advance payment amounts shall be based on the number of
22 federal exemptions allowable for federal income tax purposes on
23 the 2004 New Mexico personal income tax return of the resident
24 for whom a rebate is allowed pursuant to this section and on the
25 federal adjusted gross income reported by that resident on the

. 158706. 1

underscored material = new
[bracketed material] = delete

1 same return. A resident who does not receive an advance payment
2 may claim the tax rebate provided for in this section on that
3 resident's 2005 New Mexico personal income tax return based on
4 the federal adjusted gross income and on the number of federal
5 exemptions allowable for federal income tax purposes reported on
6 that return.

7 F. The department shall not make an advance payment
8 of the tax rebate provided for in this section to a person who:

9 (1) was an inmate of a public institution for
10 more than six months during the 2004 taxable year; or

11 (2) was not a resident of New Mexico on the
12 last day of the 2004 taxable year.

13 G. The department shall not allow a tax rebate
14 provided in this section to a person who claims the rebate on
15 that person's 2005 personal income tax return, but:

16 (1) was an inmate of a public institution for
17 more than six months during the 2005 taxable year; or

18 (2) was not a resident of New Mexico on the
19 last day of the 2005 taxable year.

20 H. The secretary shall mail with advance payments of
21 the tax rebate provided for in this section a notice of the
22 option to endorse the advanced tax rebate payment to a temporary
23 suspense account held by the department of public safety for
24 distribution to nonprofit organizations assisting victims of
25 natural disasters.

underscored material = new
[bracketed material] = delete

1 I. The notice provided for in Subsection H shall be
2 in a form prescribed by the secretary and shall contain:

3 (1) detailed instructions for endorsing an
4 advanced rebate payment over to a temporary suspense account
5 held by the department of public safety for natural disaster
6 victim assistance;

7 (2) the address to which an advanced rebate
8 payment may be mailed to the department of public safety; and

9 (3) instructions for mailing an advanced
10 rebate payment to the department of public safety.

11 J. The secretary may adopt regulations necessary to
12 administer the provisions of this section.

13 K. For purposes of this section, "dependent" means
14 "dependent" as defined by Section 152 of the Internal Revenue
15 Code, but also includes any minor child or stepchild of the
16 resident who would be a dependent for federal income tax
17 purposes if the public assistance contributing to the support
18 of the child or stepchild was considered to have been
19 contributed by the resident."

20 Section 3. A new section of the Income Tax Act is enacted
21 to read:

22 "[NEW MATERIAL] OPTIONAL DESIGNATION OF TAX REFUND
23 CONTRIBUTION--NATURAL DISASTER ASSISTANCE.--

24 A. Except as otherwise provided in Subsection C of
25 this section, an individual whose state income tax liability

. 158706. 1

underscored material = new
[bracketed material] = delete

1 after application of allowable credits and tax rebates is lower
2 than the amount of money held by the department to the credit
3 of the individual for that taxable year may designate a portion
4 of the income tax refund due to the individual to be
5 contributed to nonprofit organizations that offer assistance to
6 victims of natural disasters. In the case of a joint return,
7 both individuals shall make such a designation.

8 B. The department shall revise the state income tax
9 form to allow the designation of such contributions in the
10 following form:

11 "Natural Disaster Victim Assistance - Check
12 if you wish to contribute a part or all of your tax
13 refund to nonprofit organizations that assist
14 victims of natural disasters. Enter
15 here \$_____ the amount of your contribution.".

16 C. The provisions of this section do not apply to
17 income tax refunds subject to interception under the provisions
18 of the Tax Refund Intercept Program Act, and any designation
19 made under the provisions of this section to such refunds is
20 void. "

21 Section 4. APPROPRIATION. -- Four hundred thousand dollars
22 (\$400,000) is appropriated from the general fund to the
23 taxation and revenue department for expenditure in fiscal years
24 2006 and 2007 to administer the tax rebate provided for in
25 Section 1 of this 2005 act. Any unexpended or unencumbered

. 158706. 1

1 balance remaining at the end of fiscal year 2007 shall revert
2 to the general fund.

3 Section 5. APPLICABILITY. --

4 A. The provisions of Sections 1 and 3 of this act
5 apply to the taxable years beginning on or after January 1,
6 2005.

7 B. The provisions of Section 2 of this act apply to
8 the taxable year beginning on January 1, 2005 and ending on
9 December 31, 2005.

10 Section 6. EMERGENCY. -- It is necessary for the public
11 peace, health and safety that this act take effect immediately.

12 - 7 -
13
14
15
16
17
18
19
20
21
22
23
24
25